GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:2437
ANSWERED ON:31.07.2017
Tax-free Gratuity
Boianapalli Shri Vinod Kumar

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the Government proposes to double the ceiling of tax-free gratuity to Rs 20 lakh under the Payment of Gratuity Act and if so, the details thereof;
(b)whether there is also a proposal to remove the conditions of having at least 10 employees in an establishment and minimum five years of service for payment of gratuity and if so, the details thereof;
(c)whether the Government proposes to raise the rate of 15 days' wages for each completed year of service to 30 days' wages; and
(d)if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a): The proposal to amend the Payment of Gratuity Act, 1972 to facilitate enhancement of gratuity ceiling is at inter-ministerial consultation stage.

(b): No, Madam.

(c) & (d): There is no proposal at present to raise from the existing rate of 15 days' wages to 30 days' wages as gratuity for each completed year of service.
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